

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on January 11, 1999
at 2:25 P.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Tom A. Beck (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Eve Franklin (D)
Sen. Greg Jergeson (D)
Sen. Bob Keenan (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Clayton Schenck Legislative Fiscal Analyst
Shannon Gleason, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 34 1/6/1999; SB 136 1/6/1999
Executive Action: None

Hearing on SB 34

Sponsor: **SENATOR GREG JERGESON, SD 46, CHINOOK**

Proponents: None

Opponent: None

Opening Statements by the Sponsor:

SEN. GREG JERGESON advised this bill was by the request of the Legislative Finance Committee and was a result of the Department of Revenue borrowing from the General Fund while waiting for Federal grant monies. The loan was paid back when the grant monies were received, however the Fiscal Analyst staff advised the current language of the law required the Department of Revenue pay interest on the monies. **SEN. JERGESON** pointed out the Department of Revenue is a General Fund funded agency and it doesn't make sense for them to pay interest back to the General Fund. This bill is an attempt to clarify the wording. **SEN. JERGESON** further noted that if the borrowing was from an agency that would retain interest in their account the interest should be charged and paid to the fund.

Questions from the Committee: None

Closing:

SEN. JERGESON had no closing comments

HEARING ON SB 136

Sponsor: **SEN. GREG JERGESON, SD 46, CHINOOK**

Proponents: **Angela Fultz, Chief Deputy Secretary of State**

Opponents: None

Opening Statement by Sponsor:

SEN. GREG JERGESON stated this bill was requested by the Secretary of State and would allow the Secretary of States' office to retain the interest earned on their proprietary accounts. In 1995 the office was taken off of the General Fund account and was required to operate as a proprietary operation. The budget is set up on proprietary accounts, however they are required to perform some general public functions, i.e. elections, that take money out of their budget and they currently have no way to recover the funds. This bill would allow the office to retain the interest on their accounts to help recoup the cost of these general public functions. **SEN. JERGESON** introduced **Angela Fultz** to the committee.

Proponents' Testimony:

Angela Fultz reported the Secretary of State's office does operate on their own budget and feels that just as a business retains the interest so should they. This idea was also presented to them by the Legislative Audit Committee. **Ms. Fultz** presented **EXHIBIT(fcs07a01)**. **Ms. Fultz** noted that although the Legislative Audit Committee recommended this, the committee was not pursuing this as legislation. **Ms. Fultz** reviewed Exhibit 1 with the Finance and Claims Committee.

Questions from the Committee:

SEN. TAYLOR asked **SEN. JERGESON** if this bill passed and the interest was used to offset the fee amount charged, what assurances were there that fees would be reduced. **SEN. JERGESON** turned the questions to **MS. Fultz** who responded the reduction of fees was an option, however her department wanted to use the interest to offset the cost of the elections. **Ms. Fultz** indicated if the Secretary of State wasn't allowed to retain the interest they possibly would have to raise fees to cover the election costs.

SEN. KEATING inquired as to what fees are being collected to comprise the fund, **Ms. Fultz** indicated the fees are proprietary fees including: corporation filing fees paid by business to file for corporation status and internal service fees charged to other state agencies. **SEN. KEATING** verified with **MS. Fultz** the interest would reduce the General Fund.

Closing Statement by the Sponsor:

SEN. JERGESON stated this was a pretty straight forward and business friendly issue. **SEN. JERGESON** urged the committee to vote for this bill.

ADJOURNMENT

Adjournment: 2:40 P.M.

SEN. CHUCK SWYSGOOD, Chairman

SHANNON GLEASON, Secretary

CS/SG

EXHIBIT (fcs07aad)